Minimum Standards for Fixed Base Operators and Airport Tenants

San Marcos Municipal Airport San Marcos, Texas

Forward

The City of San Marcos administers, maintains, and improves the Municipal Airport in a manner to ensure that its facilities and operation will provide the greatest service for the people of San Marcos and the aviation public.

By publishing this document and making it available to all persons using the Airport, such persons are considered to have knowledge of its contents.

Copies of this document are available from the Airport Manager during normal business hours.

Airport Manager

Table of Contents

Section 1 -	General	5.3	<u>Personnel</u>		
1.1	Purpose	5.4	Fueling Services and		
1.2	Definitions		<u>Equipment</u>		
1.3	<u>Liability</u>	5.5	<u>Fuel</u>		
1.4	Qualifications	5.6	Fuel Dispensing Facilities		
1.5	Construction Standards	5.7	Fuel Storage Facilities		
1.6	Contract Obligations	5.8	Hours of Operation		
1.7	Operating Responsibilities	5.9	Insurance Coverage		
1.8	Common Rights and				
	<u>Privileges</u>	Section 6 -	Section 6 - Non-Public Aircraft		
			Fuels and Oil Dispensing Service		
Section 2 -	Aircraft Sales	6.1	Land and Buildings		
2.1	Land	6.2	Personnel		
2.2	Buildings	6.3	Fuel		
2.3	Personnel	6.4	Fuel Dispensing and		
2.4	Dealerships		Storage Facilities		
2.5	Aircraft	6.5	Fuel Servicing and		
2.6	<u>Services</u>		<u>Equipment</u>		
2.7	Hours of Operation	6.6	Insurance Coverage		
2.8	Insurance Coverage				
		Section 7 -	Air Taxi Service		
Section 3 -	Aircraft Rental	7.1	Land		
3.1	Land	7.2	Buildings		
3.2	Buildings	7.3	Personnel		
3.3	Personnel	7.4	Aircraft		
3.4	Aircraft	7.5	Hours of Operations		
3.5	Hours of Operation	7.6	Insurance Coverage		
3.6	Insurance Coverage				
		Section 8 -	Radio, Instrument, or		
Section 4 -	Flight Training	Propeller Re	epair Service		
4.1	<u>Land</u>	•	Land		
4.2	<u>Buildings</u>	8.2	Buildings		
4.3	<u>Personnel</u>	8.3	Personnel		
4.4	<u>Aircraft</u>	8.4	Hours of Operation		
4.5	Hours of Operation	8.5	Insurance Coverage		
4.6	<u>Insurance Coverage</u>				
		Section 9 -	Airframe and/or Power		
Section 5 - Public Aircraft Fuels		Plant Repair			
and Oil Dis	pensing Service	9.1	_ Land		
5.1	Land	9.2	<u>Buildings</u>		
5.2	<u>Buildings</u>	9.3	Personnel		
		9.5	I CI SUITICI		

9.4	Hours of Operation	11.5	Hours of Operation
9.5	Equipment	11.6	Insurance for Owned or
9.6	Insurance Coverage		Leased Aircraft
c : 10	A COLA DE LA	6 II 10	
Section 10 -	Aerial Applications	Section 12 -	· Airport Tenant
10.1	<u>Land</u>	12.1	<u>Land and Buildings</u>
10.2	<u>Buildings</u>	12.2	<u>Fuel Servicing</u>
10.3	<u>Personnel</u>	12.3	Insurance Liability
10.4	<u>Aircraft</u>		
10.5	<u>Facilities and Operations</u>	Section 13 -	Multiple Services
10.6	<u>Hours of Operation</u>	13.1	Land
10.7	Insurance Coverage	13.2	<u>Buildings</u>
		13.3	<u>Personnel</u>
Section 11 -	<u>Specialized</u>	13.4	<u>Aircraft</u>
Commercial Aviation Service		13.5	<u>Equipment</u>
11.1	Land	13.6	<u>Services</u>
11.2	Buildings	13.7	Hours of Operation
11.3	Personnel	13.8	Insurance Coverage
11.4	<u>Aircraft</u>		

Section 1 - General

1.1 Purpose

The following minimum standards and requirements for commercial aeronautical activities are established in the public interest for the safe and efficient operation of the San Marcos Municipal Airport; to enhance its orderly growth; to preclude the granting of an exclusive right to conduct an aeronautical activity in violation of Section 308(a) of the Federal Aviation Act of 1958; to conform to Title VI of the Civil Rights Act of 1964 and Part 21 of the Department of Transportation Regulations; and to assure to all lessees the availability of airport property on fair and reasonable terms and without unjust discrimination.

1.2 Definitions

- A. The owners of, and authority over, the San Marcos Municipal Airport shall hereinafter be referred to as the **Airport Lessor**.
- B. A Fixed Base Operator is defined as any person, firm, or corporation performing any of the functions or furnishing any of the services as herein set out for Fixed Base Operators at the San Marcos Municipal Airport. No person, firm, or corporation shall engage in any commercial activity as a Fixed Base Operator as herein defined unless the same is done in full compliance with the standards herein set forth and the Standard Operating Procedures & Regulations of the San Marcos Municipal Airport.
- C. An Airport Tenant is defined as any person, firm, or corporation leasing or renting property at the San Marcos Municipal Airport who is not a Fixed Base Operator. An Airport Tenant may hanger his owned or controlled aircraft on his leased or rented property subject to the provisions contained herein and the Standard Operating Procedures & Regulations of the San Marcos Municipal Airport.

1.3 Liability

All Fixed Base Operators shall protect the public generally, the customers or clients of such Fixed Base Operators, and the City of San Marcos from any and all lawful damages, claims, or liability and shall carry comprehensive general liability insurance in a company authorized to do business in the State or Texas with limits of not less than that specified herein for the category of business performed; and such policies must be written with the City of San Marcos named as an additional insured; such policies must be approved by the Airport Lessor and a certificate of insurance

thereof furnished to the same. It is further understood that as circumstances may require in the future, the City of San Marcos may reset these insurance requirements.

1.4 Qualifications

- A. A Fixed Base Operator shall satisfy the Airport Lessor that it is technically able to perform the services of a Fixed Base Operator. This shall include the responsibility for demonstrating continued financial solvency and business ability by the submission of an annual balance sheet, credit references, and/or any other proof that the Airport Lessor may require from time to time. In cases of doubt by the Airport Lessor to such ability of a Fixed Base Operator, the Airport Lessor may conduct a hearing to determine appropriate action. In each instance, the Airport Lessor shall be final judge as to the qualifications and financial ability of the lessee.
- B. Any person, firm or corporation capable of meeting the minimum standards set forth herein for any of the Fixed Base Operator categories is eligible to become a Fixed Base Operator at the airport, subject to the execution of a written lease containing such terms and conditions as may be determined by the Airport Lessor.
- C. A Fixed Base Operator or Airport Tenant shall not engage in any business or activity on the airport other than that authorized under his contract agreement. Any Fixed Base Operator desiring to extend his operation or to discontinue certain operations, shall first apply in writing to the Airport Lessor for permission to do so, setting forth in detail the reasons and conditions for the request. The Airport Lessor shall then grant or deny the request on such terms and conditions as the Airport Lessor deems to be prudent and proper under the circumstances.

1.5 Construction Standards

A. All Fixed Base Operators at said airport shall provide his own buildings, personnel and equipment, and other requirements as herein stated upon land leased from the Airport Lessor. In the event that the Airport Lessor should agree to construct physical plant facilities for use by any operator under provisions of any lease or other contracts, such lease or contract with such operators shall be on such terms and conditions as to guarantee full return of investment within a fiscal prudent time as determined by the Airport Lessor, plus interest and reasonable rental for use during such period.

- B. All Fixed Base Operators at said airport shall provide ample public lounge and public restrooms for their customers and shall make telephone service conveniently and readily available for public use.
- C. All construction required of such operators shall be in accordance with design and construction standards required or established by the Airport Lessor for the facility or activity involved. All operators shall be required to furnish the Airport Lessor payment and performance bonds commensurate with any construction required under the standards herein fixed or under any contract or lease by and between such operator and the Airport Lessor.
- D. Title to any and all buildings and appurtenances and any other permanent facilities or improvements which may be built on airport property shall revert to the City of San Marcos at the expiration or termination of the lease period, or when and if the subject lessee vacates the lease for any reason.

1.6 Contract Obligations

- A. All contracts and leases between such operators and the Airport Lessor shall be subordinate to the provisions of any existing or future agreement between the City of San Marcos and the United States Government, relative to the operation and maintenance of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the airport properties.
- B. All contracts and leases between such operators and the Airport Lessor shall be subordinate to the rights of the Airport Lessor during time of war or national emergency to lease the airport or any part thereof to the United States Government for military or naval use; and, if any such lease is so made, any or all provisions contained herein that restrict or limit such a lease or contract may be suspended.
- C. No Fixed Base Operator shall sublease or sublet any premises leased by such operator from the Airport Lessor, or assign any such lease, without the prior written approval of the Airport Lessor, and any such subletting or assignment shall be subject to all the minimum standards herein set forth. In the event the lessee does sublet any portion of his lease under the stated condition, the sub lessee must agree to assume the full obligations of the lease as set out herein and must agree to fully cooperate with the Airport Lessor in the compliance and enforcement of these standards.

- D. In the event that the lessee or sub lessee fails to comply fully with these standards or fails to comply with the reasonable request or direction of the Airport Lessor as it relates to these standards, said lessee or sub lessee shall be in default. If in the case of a first default during the subject contract duration, that first default continues for more than thirty (30) days after notice of said first default, the Airport Lessor may terminate the lease. For any subsequent default by the lessee or sub lessee for the same or any other reason, the Airport Lessor may terminate the lease if that subsequent default continues for more than three (3) days after notice of that subsequent default. In all cases, the lessee is responsible for the performance of the sub lessee.
- E. Beginning with the effective date of adoption of these minimum standards, leases to Fixed Base Operators and Airport Tenants shall normally be limited to a maximum of twenty (20) years. Any consideration of lease duration extensions shall require that the lessee demonstrate to the Airport Lessor that such an extension is a clear benefit to the Airport Lessor and/or the public interest.
- F. All Fixed Base Operator, Airport Tenant, and any other lease or contracts at the airport are subject, at the discretion of the Airport Lessor, to review, evaluation and fiscal revision at the end of each five (5) year period thereof, in relation to the Consumer Price Index or any other recognized financial index or authoritative reference as determined applicable by the Airport Lessor.
- G. Notwithstanding anything contained in a lease that may be or appear to the contrary, it is expressly understood and agreed that the rights granted hereunder are nonexclusive, and the Airport Lessor reserves the right to grant similar privileges to another operator or operators upon formal application by that operator, and upon demonstration of compliance with the provisions contained herein.

1.7 Operating Responsibilities

- A. Lessees will, at all times during the continuance of the term of the lease and any renewal or extension thereof, conduct, operate and maintain for the benefit of the public, the Fixed Base Operation provided for and described herein, and will make all such services available to the public without discrimination in any form.
- B. The rates or charges for any and all products and services of such operators shall be determined by the operators, subject to the requirement that all

- such rates or charges shall be reasonable and be equally and fairly applied to all users of the products and services.
- C. All operators at the airport shall be full time, financially sound and progressive business enterprises, with adequately manned and equipped facilities, including ample office facilities, and who observe normal or specifically required business hours.
- D. All operators shall provide and pay for all lights, gas, electrical current, water, sewer charges and garbage collection charges used or incurred in or about the leased premises, and shall pay the charges made therefore by the suppliers thereof promptly when due.
- E. Each operator will maintain, provide housekeeping services, and grounds maintenance for his buildings, facilities and equipment on the airport to the standards determined by the Airport Lessor and applicable to all other operators and users of the airport.
- F. All Fixed Base Operators shall, at their own expense, pay all taxes and assessments against any buildings or other structures placed on the premises by them, as well as all taxes and assessments against the personal property used by them in their operation.
- G. All operators shall abide by and comply with all state, county, and city laws and ordinances, and the rules and regulations of the Texas Department of Aviation and the Federal Aviation Administration.

1.8 Common Rights and Privileges

- A. All operators shall have the right to use common areas of the airport, including runways, taxiways, roadways, airport and runway lights, signals and other conveniences for the takeoff, flying and landing of aircraft and other activities relating to the conduct of authorized aeronautical business on the airport.
- B. The Airport Lessor reserves the right to take any actions it considers necessary to protect the aerial approaches to the airport against obstructions, together with the right to prevent any Fixed Base Operator or Airport Tenant from erecting, or permitting to be erected, any building, sign, or other structure on the airport which, in the opinion of the Airport Lessor, would limit the usefulness of the airport or constitute a hazard.
- C. The Airport Lessor reserves the right to enter upon any premises leased to the Fixed Base Operators and Airport Tenants at reasonable times for the

purpose of making such inspections as it may deem expedient to the proper enforcement of these minimum standards, the Standard Operating Procedures & Regulations, and for the proper enforcement of any covenant or condition of any Fixed Base Operator's or Airport Tenant's contract or lease agreement.

D. The provisions of these standards shall in no way negate or cause to be null or void existing leases with the Fixed Base Operators or Airport Tenants at the San Marcos Municipal Airport. Upon the adoption of these standards, any new leases or new lease amendments shall be in accordance with these standards.

Section 2 - Aircraft Sales

Any lessee desiring to engage in the sale of new or used aircraft shall lease and/or provide as a minimum the following:

2.1 Land

Basic Requirement: The leasehold shall contain six thousand (6000) square feet of land to provide space for buildings, parking, storage of aircraft, and display.

2.2 Buildings

Basic Requirement: Lease or construct on thousand five hundred (1500) square feet of properly lighted and headed floor space for office, customer and public amenities, and other business related use.

2.3 Personnel

Basic Requirement: One person having a current commercial pilot's certificate with ratings appropriate for the types of aircraft to be demonstrated.

2.4 Dealerships

Basic Requirement: New aircraft dealerships shall hold an authorized factory sub dealership.

2.5 Aircraft

Basic Requirement: A dealer of new aircraft shall have available or on call one current model demonstrator, and shall have the ability to provide for demonstrations of additional models of the manufacturer for which dealership is held. He must also provide an adequate supply of parts and servicing facilities to customers during aircraft and parts warranty period.

2.6 Services

Basic Requirement: Provide for adequate servicing and repair of aircraft and accessories during new aircraft warranty periods by own facilities or through agreement with repair shop specializing in the make of aircraft sold.

2.7 Hours of Operation

The normal hours of operation will be at the operator's discretion, but he should be reasonably available to the public.

2.8 Insurance Coverage

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Aircraft Liability
Bodily injury
$300,000.00 each person
$500,000.00 each accident
Property damage
$100,000.00 each accident
Passenger liability
$300,000.00 each passenger
$500,000.00 each accident

Comprehensive Public Liability and Property Damage
Bodily injury
$300,000.00 each person
$500,000.00 each accident

Property damage
$100,000.00 each accident
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NOTE: The above coverage should include aircraft held for sale and demonstration by the lessee but owned by others.

Section 3 - Aircraft Rentals

Any lessee desiring to engage in the rental of aircraft to the public must provide as a minimum the following:

3.1 Land

Basic Requirement: The leasehold shall contain six thousand (6000) square feet of land to provide space for buildings and parking.

3.2 Buildings

Basic Requirement: Lease or construct a building with one thousand five hundred (1500) square feet of properly lighted and heated floor space for office, customer and public amenities, and other business related use.

3.3 Personnel

Basic Requirement: One person having a current commercial pilot's certificate with appropriate ratings. Offices are to be attended during normal business operating hours.

3.4 Aircraft

Basic Requirement: One airworthy aircraft owned or leased in writing to the operator.

3.5 Hours of Operation

The Normal hours of operation will be at the operator's discretion, but he should be reasonably available to the public.

3.6 Insurance Coverage for Owned or Leased Aircraft

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Aircraft Liability
Bodily injury
$300,000.00 each person
$500,000.00 each accident
Property damage
$100,000.00 each accident
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Student and Renter Pilot Coverage Comprehensive Public Liability and Property Damage

Bodily injury \$300,000.00 each person \$500,000.00 each accident Property damage \$100,000.00 each accident

Section 4 - Flight Training

Any lessee desiring to engage in pilot or aircrew flight instruction shall provide as a minimum the following:

4.1 Land

Basic Requirement: The leasehold shall contain six thousand (6000) square feet of land to provide space for building and parking.

4.2 Buildings

Basic Requirement: Lease or construct a building with one thousand five hundred (1500) square feet of properly lighted and heated floor space to provide for classroom, briefing room, pilot lounge and restrooms, office space, other business related use.

4.3 Personnel

Basic Requirement: One person properly certified by the Federal Aviation Administration as a flight instructor to cover the type of training offered.

4.4 Aircraft

Basic Requirement: The lessee shall own or have leased to him in writing one properly certified aircraft equipped for flight instruction.

4.5 Hours of Operation

The normal hours of operation will be at the operator's discretion, but he should be reasonably available to the public.

4.6 Insurance Coverage

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Aircraft Liability

Bodily injury

$300,000.00 each person

$500,000.00 each accident

Property damage

$100,000.00 each accident
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Passenger liability

\$300,000.00 each passenger

\$500,000.00 each accident

Student Pilot and Renter Coverage Comprehensive Public Liability and Property Damage

Bodily injury

\$500,000.00 each accident

Property damage

\$100,000.00 each accident

Section 5 - Public Aircraft Fuels and Oil Dispensing Service

Lessees desiring to dispense aviation fuels and oil and provide other related services shall provide as a minimum the following:

5.1 Land

Basic Requirement: The leasehold shall contain seven thousand five hundred (7500) square feet for buildings, fuel storage and dispensing facilities, parking and other business related use.

5.2 Buildings

Basic Requirement: Lease or construct a building with two thousand (2000) square feet of properly lighted and heated floor space for office, public lounge, restrooms, customer telephone, and other business related use.

5.3 Personnel

Basic Requirement: One fully qualified person shall be on duty during operating hours.

5.4 Fueling Servicing and Equipment

Basic Requirement: Lessee shall furnish emergency starting equipment and other equipment necessary to fuel, replenish oil and park and tie down aircraft. Lessee shall also furnish adequate fire extinguishers and comply with the following safety procedures.

- A. Fire extinguishers will be readily available during all refueling or defueling. Personnel will be trained in the use of such equipment as well as in rescue operations. Such persons will attend training provided by local Fire Marshall or as otherwise directed by the Airport Lessor.
- B. Static discharging ground wires will be attached to the aircraft, the fuel tank or refueling vehicle, and to zero potential ground before and throughout any fueling operation.
- C. Adequate fuel filters and water taps will be installed on all fuel handling equipment, and a suitable program for periodically conducting water contamination checks will be established and followed.
- D. Personnel used to dispense aircraft fuels and lubricants will be trained in the proper recognition of aircraft fuel tank markings, kinds and grades of

- aircraft fuels and lubricants, and safety precautions necessary for fuel handling. Such personnel must either be in uniform while servicing aircraft or wear sufficient distinguishing clothing so that the public may recognize which person is authorized to dispense petroleum products.
- E. The standards for "Aircraft Fuel Servicing" published by the National Fire Protection Association, and as amended from time to time, are hereby incorporated herein as mandatory standards as though set forth verbatim.

5.5 Fuel

Basic Requirement: Lessee shall provide at least one type of fuel for aircraft use. These include 100LL, Jet A, and MOGAS. MOGAS, when provided, shall be approved for aircraft use by compliance with ASTM-439 standards and all other applicable Federal Aviation Administration specifications, and shall be supplied only to those aircraft that have been certified under appropriate supplemental type certificates to use this fuel.

5.6 Fuel Dispensing Facilities

Basic requirement: One metered and filter equipped dispenser, fixed or mobile, for dispensing each separate type of fuel offered.

- A. For mobile fuel dispensing of each type of fuel offered, lessee shall furnish a separate fuel truck or fuel trailer with a minimum capacity of five hundred (500) gallons each for 100LL and Jet A and two hundred and fifty (250) gallons for MOGAS. Mobile dispensing equipment shall be properly maintained, operated, and equipped in accordance with applicable Federal Aviation Administration, Airport Lessor, and National Fire Protection Association recommendations, requirements, and regulations.
- B. For fixed fuel dispensing, lessee shall furnish separate dispensing pumps and meters for each type of fuel offered. Such fixed fuel dispensing equipment shall be attended or automated so that fuel is available to the public without discrimination, any unusual requirements, or any advance arrangements of any kind.

5.7 Fuel Storage Facilities

Basic Requirement: Lessee shall furnish fuel storage tanks with a capacity of ten thousand (10,000) gallons each for either 100LL or Jet A, and five hundred (500) gallons for MOGAS. Fuel storage tanks shall be underground or ground mounted if located in properly bunkered and approved closures; and all such installations shall be in a location approved by the Airport Lessor and shall comply with applicable

uniform building code standards, fire codes and ordinances, and the recommendations of the National Fire Protection Association. Lessee shall, at its sole cost and expense, maintain his fuel storage facilities and all improvements and appurtenances thereto, in a presentable condition consistent with good business practices and equal in appearance and character to other similar improvements on said airport. Lessee shall repair all damages caused by its employees, patrons, or their operation thereon; and shall maintain and repair all equipment thereon; and shall keep its premises in a safe, neat, sightly and good physical condition.

5.8 Hours of Operation

Basic Requirement: Fueling services shall be provided from 8:00 a.m. to sundown, seven days per week.

5.9 Insurance Coverage

Comprehensive Public Liability and Property Damage

Bodily injury

\$300,000.00 each person

\$500,000.00 each accident

Property damage

\$100,000.00 each accident

Hangar keeper liability

\$500,000.00 each accident

Products liability

\$1,000,000.00 each accident

Section 6 - Non-Public Aircraft Fuels and Oil Dispensing Service

Lessees desiring to conduct non-public aircraft fuel and oil dispensing services shall meet the following standards and provide the following minimum facilities:

RESTRICTIONS: Lessee holding non-public aircraft fuels dispensing authorization shall not sell or deliver aircraft fuels to anyone other than lessee. Fueling of any aircraft not owned or leased by lessee shall result in immediate revocation of the right to bring fuel upon, or store fuel on, airport property. Upon request by the Airport Lessor, lessee shall provide evidence of ownership or lease of any aircraft being fueled. A corporation may not be formed for the expressed purpose of providing fuel services under this standard.

6.1 Land and Building

Basic Requirement: Due to the variety of facility possibilities applicable to Airport Tenants, a single standard for acreage and buildings is not established for Airport Tenants. Each Airport Tenant application under this SECTION will be considered on its own merit. For Fixed Base Operator applications, specific use spaces as required in applicable SECTIONS herein need not be further additive where combination use can be reasonably and feasibly established.

6.2 Personnel

Basic Requirement: Personnel engaged in dispensing aircraft fuels shall be properly trained and qualified with regard to safety procedures.

6.3 Fuel

Basic Requirement: Lessee shall provide only the type or grade of fuel required to service lessee's aircraft.

6.4 Fuel Dispensing and Storage Facilities

Basic Requirement: One metered and filter equipped dispenser, fixed or mobile, for dispensing each separate type of fuel used.

A. Lessee shall furnish a mobile dispensing truck or fuel trailer for each type of fuel with a minimum capacity of two hundred and fifty (250) gallons for each fuel type provided or a fixed fuel dispensing system specifically approved by the Airport Lessor.

B. Lessee shall furnish at least one fuel storage tank with a capacity of five hundred (500) gallons for each type of fuel supplied. Fuel storage tanks shall be underground or ground mounted if located in properly bunkered and approved closures; and all such installations shall be in a location approved by the Airport Lessor and shall comply with applicable uniform building code standards, fire codes and ordinances, and the recommendations of the National Fire Protection Association. All Maintenance, repair, and upkeep shall be the sole responsibility of the lessee.

6.5 Fuel Servicing and Equipment

Basic Requirement: Lessee shall furnish adequate fire extinguishers and comply with the following safety procedures:

- A. Fire extinguishers will be readily available during all refueling or defueling. Personnel will be trained in the use of such equipment.
- B. Static discharging ground wires will be attached to the aircraft, the fuel tank or refueling vehicle, and to zero potential ground before and throughout any fueling operation.
- C. Adequate fuel filters and water taps will be installed on all fuel handling equipment, and a suitable program for periodically conducting water contamination checks will be established and followed.
- D. The standards for "Aircraft Fuel Servicing" published by the National Fire Protection Association, and as amended from time to time, are hereby incorporated herein as mandatory standards as though set forth verbatim.

6.6 Insurance Coverage

Comprehensive Public Liability and Property Damage
Bodily injury
\$300,000.00 each person
\$500,000.00 each accident
Property damage
\$100,000.00 each accident

Section 7 - Air Taxi Service

Lessee desiring to engage in Air Taxi Service must hold a Federal Aviation Administration Air Taxi Commercial Operator Certificate with ratings appropriate to the functions accomplished.

71 Land

Basic Requirement: The leasehold shall contain six thousand (6000) square feet of land for buildings, parking, and other business related use.

7.2 Buildings

Basic Requirement: Lease or construct a building providing a minimum of one thousand five hundred (1500) square feet of properly heated and lighted space for office and customer lounge, restrooms and telephone.

7.3 Personnel

Basic Requirement: One Federal Aviation Administration certificated commercial pilot who is appropriately rated to conduct the air taxi service offered.

7.4 Aircraft

Basic Requirement: One four place aircraft meeting all the requirements of the Air Taxi/Commercial Operator Certificate held. Aircraft shall be owned or leased by agreement in writing and meet all relevant requirements of Part 135 of the Federal Aviation Regulations.

7.5 Hours of Operation

Basic Requirement: The normal hours of operation will be at the operator's discretion, but he should be reasonably available to the public.

7.6 Insurance Coverage

Aircraft Liability
Bodily injury
\$300,000.00 each person
\$500,000.00 each accident

Property damage

\$100,000.00 each accident

Passenger Liability

\$300,000.00 each passenger

\$500,000.00 each accident

Comprehensive Public Liability and Property Damage

Bodily injury

\$300,000.00 each person

\$500,000.00 each accident

Property damage

\$100,000.00 each accident

Section 8 - Radio, Instrument, or Propeller Repair Services

Lessee desiring to provide a radio, instrument, propeller repair or other similar aviation specialty service must hold a Federal Aviation Administration Repair Station Certificate and rating for same and as a minimum the following:

81 Land

Basic Requirement: The leasehold shall contain six thousand (6000) square feet of land for buildings, parking, and other business related use.

8.2 Buildings

Basic Requirement: Construct or lease a building providing one thousand five hundred (1500) square feet of properly heated and lighted space to house office, restroom facilities, and a minimum shop and hangar space as required for Federal Aviation Administration repair shop certification.

8.3 Personnel

Basic Requirement: One Federal Aviation Administration repairman qualified in accordance with the terms of the Repair Shop Certificate.

8.4 Hours of Operation

Basic Requirement: The normal hours of operation will be at the operator's discretion, but he should be reasonably available to the public.

8.5 Insurance Coverage

Hangar Keepers Liability \$500,000.00 each accident Products Liability \$1,000,000.00 each accident

Section 9 - Airframe and/or Power Plant Repair

Any lessee desiring to engage in airframe and/or power plant repair service must provide as a minimum the following:

9.1 Land

Basic Requirement: The leasehold shall contain six thousand (6000) square feet to provide space for buildings, parking, and other business related use.

9.2 Buildings

Basic Requirement: Lease or construct a building sufficient to provide one thousand five hundred (1500) square feet of shop space meeting local and state industrial code requirements, plus adequate office space, customer amenities, and telephone.

9.3 Personnel

Basic Requirement: One person currently certified by the Federal Aviation Administration with airframe and/or power plant rating appropriate for the work being performed.

9.4 Hours of Operation

Basic Requirement: The normal hours of operation will be at the operator's discretion, but he should be reasonably available to the public.

9.5 Equipment

Basic Requirement: Sufficient equipment, supplies and availability of parts to perform maintenance in accordance with manufacturer's recommendations or equivalent.

9.6 Insurance Coverage

Comprehensive Public Liability and Property Damage
Bodily injury
\$300,000.00 each person
\$500,000.00 each accident
Property damage

\$100,000.00 each accident Hangar Keepers \$500,000 each accident

Section 10 - Aerial Applications

Lessees desiring to engage in aerial application operations must hold an Agricultural Aircraft Operator Certificate issued by the Federal Aviation Administration under Part 137 of the Federal Aviation Regulations; and comply with the State of Texas subdivisions thereof; and provide as a minimum the following:

10.1 Land

Basic Requirement: Leasehold shall contain six thousand (6000) square feet of land to provide for buildings, equipment, parking, and other business operating space.

10.2 Buildings

Basic Requirement: Lease or construct one thousand five hundred (1500) square feet of building space for office, storage, and business related use.

10.3 Personnel

Basic Requirement: One person holding a current commercial pilot certificate, properly rated for the aircraft to be used and meeting the requirements of Part 137 of the Federal Aviation Regulations and applicable regulations of the State of Texas.

10.4 Aircraft

Basic Requirement: One airworthy aircraft meeting all the requirements of Part 137 of the Federal Aviation Regulations and applicable regulations of the State of Texas. This aircraft shall be owned or leased by agreement in writing and based on the lessee's leasehold.

10.5 Facilities and Operations

Basic Requirements: Lessee will provide a segregated chemical storage area protected from public access. Wash down of agricultural spraying aircraft and flushing of agricultural aircraft spray tanks will be accomplished only in areas so designated and approved in full compliance with applicable Environmental Protection Agency, Texas Department of Agriculture, and the Texas Department of Health Resources recommendations and requirements. Empty chemical containers will be disposed of in accordance with applicable federal and state laws. Agricultural

spraying operations will be conducted in accordance with procedures and from areas on the airport specifically approved by the Airport Lessor.

10.6 Hours of Operation

Basic Requirement: The normal hours of operation will be at the operator's discretion, but he should be reasonably available to the public.

10.7 Insurance Coverage

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Aircraft Liability

Bodily injury

$300,000.00 each person

$500,000.00 each accident

Property damage

$100,000.00 each accident

Comprehensive Public Liability and Property Damage

Bodily injury

$300,000.00 each person

$500,000.00 each accident

Property damage

$100,000.00 each accident

Chemical damage
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\$1,000,000.00 each accident

Section 11 - Specialized Commercial Aviation Services

Lessees desiring to engage in specialized commercial activities including but not limited to those listed below shall provide as a minimum the following:

Banner towing and aerial advertising
Aerial photography or survey
Fire fighting or fire patrol
Power line or pipeline patrol
Aircraft cleaning or detailing
Any other commercial operation specifically excluded from Part 135 of the
Federal Aviation Regulations

11.1 Land

Basic Requirement: Leasehold shall contain six thousand (6000) square feet of land to provide buildings, parking, and other business related use.

11.2 Buildings

Basic Requirement: Lease or construct one thousand five hundred (1500) square feet of properly heated and lighted floor space for office, customer amenities, telephone and other business related use.

11.3 Personnel

Basic Requirement: One person having a current commercial pilot certificate with ratings appropriate for the aircraft to be flown, or one person fully qualified to perform the commercial service offered.

11.4 Aircraft

Basic Requirement: One properly certificated aircraft owned or leased in writing to the lessee for flight operations when/if required.

11.5 Hours of Operation

Basic Requirement: The normal hours of operation will be at the operator's discretion, but he should be reasonably available to the public.

RETURN TO TABLE OF CONTENTS

11.6 Insurance For Owned Or Leased Aircraft

```
Aircraft Liability
Bodily injury
$300,000.00 each person
$500,000.00 each accident
Property damage
$100,000.00 each accident

Comprehensive Public Liability and Property Damage
Bodily injury
$300,000.00 each person
$500,000.00 each accident
Property damage
$100,000.00 each accident
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Section 12 - Airport Tenant

A person meeting the definition and assigned the designation of Airport Tenant by the Airport Lessor shall be limited to the following and only the following uses:

Storage of wholly owned or leased aircraft and service and maintenance on wholly owned or leased aircraft. Airport Tenants may not hangar aircraft owned by others nor offer, nor provide, any services whatsoever to others, except, however, other's aircraft may be temporarily hangared without compensation.

EXCLUSION: Private individual, non-commercial monthly renters of open ramp spaces or private individual, non-commercial monthly renters of public hangars or hangar space are excluded from the provisions of this SECTION, but are instead obligated to the provisions of their rental contracts and the Standard Operating Procedures & Regulations of the airport.

12.1 Land and Buildings

Basic Requirement: Due to the variety of single and multi-occupancy hangars, a single standard for acreage and buildings is not established. Each application under this SECTION will be considered on its own merits.

12.2 Fuel Servicing

Basic Requirement: Airport Tenants may provide fuel for their own or leased aircraft, but only after meeting the requirements of SECTION 6 - NON-PUBLIC AIRCRAFT FUELS AND OIL DISPENSING SERVICE.

12.3 Insurance Liability

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Aircraft Liability

Bodily injury

$300,000.00 each person

$500,000.00 each accident

Property damage

$100,000.00 each accident

Passenger liability

$300,000.00 each person

$500,000.00 each accident

Comprehensive Public Liability and Property Damage

Bodily injury
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\$300,000.00 each person \$500,000.00 each accident Property Damage \$100,000.00 each accident

Section 13 - Multiple Services

Lessee desiring to engage in two or more commercial aeronautical activities must provide as a minimum the following:

13.1 Land

Basic Requirement: The leasehold for multiple activities shall contain seven thousand five hundred (7500) square feet of land to provide space for the service to be offered. Specific use spaces as required in applicable SECTIONS herein need not be further additive where combination use can be reasonably and feasibly established.

13.2 Buildings

Basic Requirement: Lease or construct a building containing two thousand (2000) square feet to provide properly lighted and heated space for the service to be offered. Specific use spaces as required in applicable SECTIONS herein need not be further additive where combination can be reasonably and feasibly established. Repair stations must provide minimum shop and hangar space as required by Federal Aviation Administration repair shop certification.

13.3 Personnel

Basic Requirement: Multiple responsibilities may be assigned to personnel to meet personnel requirements for all activities.

13.4 Aircraft

Basic Requirement: All requirements for aircraft for specific activities to be engaged must be provided; however, multiple uses can be made of all aircraft, except aerial application aircraft, to meet these requirements. In order to meet these requirements, however, a minimum of two aircraft must be owned or under the direct control of the lessee and based of the lessee's leasehold.

13.5 Equipment

Basic Requirement: All equipment specifically required for each activity must be provided.

13.6 Services

Basic Requirement: All services specifically required for each activity must be provided.

13.7 Hours of Operation

Basic Requirement: The lessee will adhere to the operating schedules as required for each activity.

13.8 Insurance Coverage

Basic Requirement: The lessee will obtain the highest single coverage in the amounts established for each type of insurance required for the specific activity.